

1998**Underpayment of Estimated Tax by
Farmers and Fishermen****5805F**

Attach this form to the front of your Form 540, Form 540NR or Form 541, even if you do not owe a penalty.

Name(s) as shown on return

Your social security number

Part I Figure Your Underpayment

1	1998 tax after credits from Form 540, line 34; or Form 540NR, line 43	1		
2	1998 tax on lump-sum distributions from Form 540, line 23; or Form 540NR, line 26	2		
3	Subtract line 2 from line 1	3		
4	Multiply line 3 by 66 2/3% (.6667).	4		
5	1998 withholding taxes from Form 540, line 38 and line 41; or Form 540NR, line 47 and line 50	5		
6	Subtract line 5 from line 3. If less than \$200 (\$100 married filing separate), STOP . You do not owe a penalty.	6		
7	1997 tax after credits from Form 540, line 34; or Form 540NR, line 43	7		
8	1997 tax on lump-sum distributions from Form 540, line 23; or Form 540NR, line 26	8		
9	Subtract line 8 from line 7. If less than \$200 (\$100 married filing separate), STOP . You do not owe a penalty.	9		
10	Enter the smaller of line 4 or line 9	10		
11	1998 withholding taxes and estimated tax payments made on or before January 15, 1999, from Form 540, line 38, line 39 and line 41; or Form 540NR, line 47, line 48 and line 50.	11		
12	Underpayment. Subtract line 11 from line 10. If zero or less, you do not owe a penalty	12		

Part II Figure Your Penalty

13	Enter the date the amount on line 12 was paid or April 15, 1999, whichever is earlier	13		
14	Number of days after January 15, 1999, to and including the date on line 13	14		
Note: If you are a calendar year taxpayer and made no estimate payment, enter 90 days.				
15	Penalty: $\frac{\text{Number of days on line 14}}{365} \times .08 \times \text{underpayment on line 12}$. Enter this amount on Form 540, line 63; or Form 540NR, line 72. Also check the box on the estimate penalty line of your return.	15		
16	To request a waiver, check the box and provide an explanation below. See General Information E			

General Information**A Purpose**

Use Part I of form FTB 5805F to determine if you, as a farmer or fisherman, paid the required amount of estimated tax. Use Part II to compute your estimate penalty if you did not pay enough estimated tax.

Important: Attach this form to the front of your Form 540 or Form 540NR on top of all forms, schedules and attachments, **even if you do not owe a penalty**. This helps the Franchise Tax Board identify you as a farmer or fisherman and correctly process your tax return.

B Qualifications

You are a farmer or fisherman when at least two-thirds of your 1997 or 1998 gross income is from farming or fishing. If you need help determining your gross income, get Internal Revenue Service Pub. 505, Tax Withholding and Estimated Tax.

If you determine that you are not a farmer or fisherman, do not use this form. Instead, use form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, to determine if you owe an estimate penalty.

C Required Estimate Payment

If you are a farmer or fisherman, you are required to make an estimated tax payment of 66 2/3% of your 1998 tax or 100% of your 1997 tax, whichever is less. If you are a calendar year taxpayer, your payment is due January 15, 1999. If you are a fiscal-year taxpayer, your payment is due the 15th day of the 1st month after the close of your taxable year.

D Exceptions to the Penalty

You do not owe a penalty for 1998 if:

1. You file your 1998 tax return and pay the full amount of tax due by March 1, 1999;
2. The tax for 1997, after credits (Form 540, line 34 less the tax on lump-sum distributions included on line 23 and less line 38 and line 41; or Form 540NR, line 43 less the tax on lump-sum distributions included on line 26 less line 47 and line 50), was less than \$200 (\$100 if married filing a separate return); or
3. The tax for 1998 (from line 6) is less than \$200 (\$100 if married filing a separate return); or
4. 80% or more of the tax (excluding tax on lump-sum distributions) for 1997 or 1998 was paid by withholding; or
5. 80% or more of the California adjusted gross income reported on your 1998 tax return consisted of wages subject to withholding; however, this provision does not apply if a false or fraudulent withholding exemption certificate was filed; or
6. You had no tax liability for 1997 and your 1997 tax return was for a full 12 months (or would have been had you been required to file). You need not have had income in each month.

E Waiver of the Penalty

All or part of the penalty for underpayment may be waived if:

- You underpaid the estimated tax because of a casualty, disaster or other unusual circumstance and it would be inequitable to impose the penalty;

- In 1997 or 1998, you retired after age 62 or became disabled and your underpayment was due to reasonable cause; or
- You underpaid your payments because of changes made by SB 519 (Stats. 1998, Ch. 7) or AB 2797 (Stats. 1998, Ch. 322).

To request a waiver you must:

- Complete form FTB 5805F to compute the full penalty which would normally be due;
- Check the box on line 16;
- Provide an explanation in the space provided of the reason you are requesting a waiver of the estimate penalty. If you need additional space, attach a statement;
- Check the box on Form 540, line 63; or Form 540NR, line 72; and
- Attach form FTB 5805F to the front of your return on top of any check, money order, Form W-2, Form 1099 or other special documentation.

F Amended Returns

If you file an amended return by the due date of your original return, use the amounts shown on your amended return to figure your underpayment. If you file an amended return after the due date of your original return, use the amounts shown on the original return.

Exception: If you and your spouse file a joint return after the due date to replace separate returns you originally filed by the due date, use the amounts shown on the joint return to figure your underpayment. This rule applies only if both original separate returns were filed on time.